

Michigan Strategic Fund/Michigan Economic Development Corporation

General Overview

The Michigan Strategic Fund (MSF) was created under P.A. 270 of 1984 as an autonomous entity to assist in promoting economic development in the State. The MSF's authority was expanded by Executive Order 1999-1, which transferred into the Fund all the State-funded economic development programs and created it as a State agency. Through the creation of this agency, the MSF was eligible to enter into interlocal agreements with various local entities as provided for under the Urban Cooperation Act of 1967. These agreements provided for the formation of the Michigan Economic Development Corporation (MEDC), which is also an autonomous entity. The MSF transfers the majority of its appropriated State funds and employees to the MEDC, which has the authority to employ nonstate employees to administer programs. The MSF is overseen by a nine-member, Governor-appointed Board of Directors. The MEDC is overseen by an Executive Committee made up of 17 members appointed by the Governor. The MEDC and its staff administer all of the economic development programs in the State.

Major Divisions and Programs

Business Development. The Agency has a number of programs that are designed to promote Michigan to in- and out-of-state companies. These programs include a business ombudsman who provides advocacy services to companies as they navigate through State or local government; business operating and cost estimating services; business organization directory to assist in promoting collaborations or identification of Michigan based products; consultation, education, and training; environmental assistance; export assistance; Single Business Tax overview; site development and infrastructure improvement; site location assistance; unemployment insurance services; workers' compensation cost control services; and workplace posters that are required for display in the workplace.

Business or Service Centers. The Agency also provides direct funding or coordination services with various local entities that provide specific services to businesses. These include the Michigan Manufacturing Technology Center (MMTC) which provides support services to small and mid-sized companies; Procurement Technical Assistance Centers (PTACs) which provide assistance to business in securing government contracts; Small Business and Technology Development Center (SBTDCs) which provide services to start up businesses or entrepreneurs.

Travel Commission/Promotion Program. This program works with marketing organizations to promote the travel industry, administers the Promotion Program, which is the marketing portion of the Travel Commission, and designs ads to promote Michigan as a tourism destination.

Economic Development Job Training Grants. This grant program is funded with General Fund dollars and provides grants to community colleges or other education and training providers that are working in cooperation with corporations to provide job training or skilled updating to new or existing employees.

21st Century Programs. Through the securitization of the States Tobacco Settlement revenue, the \$400.0 million 21st Century Jobs Trust Fund was created. The Fund provides grants or loans to universities or companies for research and commercialization projects in the areas of life sciences, alternative energy, advanced automotive, manufacturing, materials, and homeland security/defense. Other revenue from this securitization is being used to fund a Defense Contract Coordination Center, an Investment Fund to increase the amount of venture capital available in the State, and the Capital Access Program which helps secure loans provided by conventional banks for high risk business investments.